

NO on Proposition 1C Lottery-Based Borrowing

OPPOSE THE “LOTTERY MODERNIZATION ACT”

- **Proposition 1C on the May 19 ballot is bad fiscal and public policy.** It attempts to raise money for the short term by the sale of bonds that would be paid off by future revenue from a restructured state lottery. We cannot rely on a cooperative financial market for such a scheme in these tough economic times
- **Prop. 1C would permit the sale of bonds secured by uncertain future revenues.** There is no guarantee that the changes in the lottery permitted by Prop. 1C would increase lottery profits enough to cover all the costs of this risky proposal.
- **Using bonds to support operating programs is not good policy.** Long-term financing makes sense for capital improvements like roads, schools, prisons, and other infrastructure projects, but not for current operation of government programs.
- **Prop. 1C trades a short term gain for the 2009-10 budget for billions of dollars to be repaid over many years in the future.** The nonpartisan Legislative Analyst says that in the long-term, Prop. 1C would likely make it more difficult to balance the state budget.
- **Prop. 1C is part of an irresponsible approach to California’s budget problems.** Californians deserve better solutions from our elected representatives.

VOTE NO ON PROP. 1C ON MAY 19!